
THE STOBART GROUP

**ANTI-BRIBERY AND CORRUPTION CODE OF
CONDUCT**

Issue April 2015

The Stobart Group
Solway Business Centre
Kingstown
Carlisle
CA6 4BY

Web: <http://www.stobartgroup.co.uk/>
Tel: 01228 882 300

GP 012 / Issue 2

CONTENTS

Section	Page
INTRODUCTION BY CHIEF EXECUTIVE	1
1 DEFINITION OF BRIBERY AND CORRUPTION.....	2
2 GENERAL ANTI-CORRUPTION AND BRIBERY OBLIGATIONS.....	2
3 INTERACTION BETWEEN THIS CODE OF CONDUCT AND OTHER LAWS AND REGULATIONS.....	3
4 USE OF PERSONAL FUNDS.....	3
5 COMPLIANCE OFFICER.....	3
6 SIGNIFICANT AREAS OF RISK FOR THE STOBART GROUP.....	3
7 FACILITATION PAYMENTS.....	4-4
8 EMERGENCIES AND PERSONAL SAFETY.....	4
9 HOSPITALITY AND GIFTS.....	5-8
10 REPORTING CONCERNS.....	9
11 DEALING WITH AGENTS, SUPPLIERS AND OTHER THIRD PARTIES.....	10-10
12 CHARITABLE AND POLITICAL DONATIONS.....	12-11
13 SPONSORSHIP.....	12
14 DECLARATION OF INTERESTS.....	13
15 INVESTIGATIONS AND AUDITING.....	13
16 ANNUAL REVIEW.....	13
SCHEDULE 1.....	14
1 EXAMPLES OF ACTS OF BRIBERY AND CORRUPTION.....	14
2 EXAMPLES OF BEHAVIOUR WHICH SUGGESTS AN INCREASED RISK OF BRIBERY OR CORRUPTION.....	14-14

INTRODUCTION BY CHIEF EXECUTIVE OFFICER

The Stobart Group is committed to conducting its business lawfully and with the highest degree of integrity. We recognise that Bribery and Corruption is prohibited by the Bribery Act 2010 in which we are committed and demonstrate a zero tolerance approach.

This Code of Conduct has been formally approved by the Group's Board of Directors and extends to all of the Group's business dealings and transactions whether private individuals or public officials.

Engaging in bribery and corruption is unlawful and any employee, director or officer found to have breached this Code of Conduct will be liable to disciplinary action which may result in dismissal or other serious sanctions. Breaches of this Code of Conduct by customers, suppliers, joint venture partners or third party contractors and advisors to the Group may result in immediate termination for breach of a contract with the Group.

All of us share a responsibility to ensure compliance with this Code of Conduct and, should you become aware that any person acting or purporting to act on the behalf of the Group may have committed an act of bribery or corruption, then you must report your concerns immediately to the Compliance Officer (whose contact details are set out in Section 7 below).

In addition to this Code of Conduct, the Group operates a strict Whistleblowing Policy and you can be assured that reporting any concerns will not result in you receiving any negative or retaliatory treatment from the Group.

I know that everyone within the Group shares the commitment of the Board of Directors to ensuring that the highest standards of business integrity are maintained and that I can count on you for your full support.

Thank you.

Andrew Tinkler
Chief Executive Officer
April 2015

1. STATEMENT OF POLICY

- 1.1 Stobart Group is committed to preventing, deterring and detecting bribery, fraud and all other corrupt business practices.
- 1.2 Stobart Group does not tolerate bribes or any other corrupt or fraudulent practices forbidden by the UK Bribery Act 2010.
- 1.3 Stobart Group is involved with monitoring the compliance of this policy by annual risk assessments and audits. Appropriate actions will result from anyone who is found to have breached these regulations.

2. SCOPE

- 2.1 This policy (together with accompanying procedures and documents) is addressed to all the related people to the Stobart Group Company.
- 2.2 The UK Bribery Act 2010 which came into force on July 1st 2011 aims to provide a consolidated, comprehensive mechanism for investigation and prosecution. It is applicable to all UK nationals, residents and commercial organisations hence, Stobart Group and all related parties.

3. DEFINITION OF BRIBERY AND CORRUPTION

- 3.1 For the purposes of preparing this Code of Conduct and the compliance programme associated with it, the Group has defined “**Bribery**” and a “**Bribe**” to mean:

“the offering, promising, giving, accepting or soliciting of an advantage (whether financial or otherwise) as an inducement for an action which is illegal or a breach of trust”.

- 3.2 The Group has defined “**Corrupt**”, “**Corruption**” and “**Corrupt Activities**” to mean:

“the abuse of entrusted power for private gain”.

- 3.3 To assist in the identification of behaviour or actions which may be considered to constitute a Bribe and circumstances where individuals should be particularly alert to the risk of Bribery or Corruption taking place, a non-exhaustive list of examples of acts of Bribery and indicators that an individual may be liable to engage in Corrupt Activities are set out in Schedule 1 at the end of this Code of Conduct.

4. GENERAL ANTI-CORRUPTION AND BRIBERY OBLIGATIONS

- 4.1 The Group, its directors, employees, officers, joint venture partners, consultants and agents must not engage in any form of Bribery or other Corrupt Activity anywhere in the world nor will the Group request that any third party does so on its behalf. This prohibition includes, but is not limited to, the payment or receipt of Bribes by or on the behalf of the Group and/or encouraging, asking or arranging for anyone else to make or receive Bribes for the Group.
- 4.2 This Code of Conduct has been formally approved by the Board of Directors of the Group and any breach will be considered by the Group to be a serious offence.

4.3 Any director, employee or officer who is found to have breached this Code of Conduct will be liable to disciplinary action in accordance with the business specific disciplinary process (which are available on the Stobart Information Management System) which may result in dismissal or other serious sanction.

4.4 Breaches of this Code of Conduct by customers or third party contractors and advisors to the Group may result in immediate termination for breach of all contracts with the Group.

4.5 Equally, no director, employee or officer of the Group will face less favourable treatment nor be discriminated against in any way as a result of the Group losing business due to that director, employee or officer complying with their obligations under this Code of Conduct.

5. INTERACTION BETWEEN THIS CODE OF CONDUCT AND OTHER LAWS AND REGULATIONS

5.1 This Code of Conduct sets out the minimum standards and requirements which the Group expects to be adhered to. Where the local laws or customs in any country in which the Group is carrying out business provide that a higher standard of conduct is required then, that higher standard must be followed and, anyone acting on the behalf of the Group must do so at all times in accordance with all applicable written local laws.

6. USE OF PERSONAL FUNDS

6.1 The use of money belonging to the Group to fund any activities which are prohibited under this Code of Conduct is strictly prohibited in all circumstances.

6.2 Further, the use of personal funds to finance any activities which are prohibited under this Code of Conduct is also strictly prohibited in all circumstances. The fact that reimbursement of the cost of any prohibited activity was not sought will not constitute justification or a defence for breaching this Code of Conduct or for committing any criminal offence.

7. COMPLIANCE OFFICER

7.1 Whilst the Board of Directors retains ultimate accountability for compliance by the Group with the requirements of this Code of Conduct, the Group has appointed Joanne Woodman as its designated Compliance Officer.

7.2 The Company Secretary will remain as Head of Anti Bribery and Corruption in the Group and has day to day responsibility for oversight of the Group's anti-bribery and corruption efforts and for reporting on progress and compliance with this Code of Conduct to the Board of Directors.

7.3 If you have any queries or comments concerning this Code of Conduct or, should you need to report any concerns regarding potential breaches of this Code of Conduct then you should raise those in the first instance with the Compliance Officer, Joanne Woodman by either emailing her at joanne.woodman@stobartgroup.com or calling her on 01228 882300.

8. SIGNIFICANT AREAS OF RISK FOR THE STOBART GROUP

8.1 The Group maintains an exhaustive and robust At Risk Register which is reviewed annually by the Board of Directors and managed on an ongoing basis by the Compliance Officer.

9. FACILITATION PAYMENTS

9.1 In certain countries, it may be customary to make small payments to local officials in order to obtain the performance of “non-discretionary or clerical routine government actions” such as obtaining visas or securing customs clearance.

The Group is committed to identifying and eliminating the practice of making unlawful facilitation payments and extreme caution must be exercised in response to any request that a facilitation payment should be made by or on the behalf of the Group as such payments should be considered to be at high-risk of constituting a Bribe.

9.2 The payment of facilitation payments by or on the behalf of the Group is therefore only ever permitted if all of the following conditions are met:

- (a) the payment is permitted in accordance with the written local laws of the country in which the official in question is based;
- (b) the payment does not constitute a breach of any laws or regulations with international or extra-territorial effect (for example, the US Foreign Corrupt Practices Act and similar UK laws);
- (c) the payment does not otherwise constitute a breach of this Code of Conduct; and
- (d) a receipt is obtained for the payment in question from the official in question or, where that is not possible, a full record is made of the payment and the reasons for making it.

9.3 Given the Group’s commitment to identifying and eliminating the practice of making unlawful facilitation payments, you must report to the Compliance Officer any request for a facilitation payment to be made on the Group’s behalf which does not meet all of the conditions set out above.

9.4 Facilitation payments can be a difficult and complex area and it is not always easy to establish if a particular request is permitted. If you are in any doubt as to whether a particular request is lawful or permitted under this Code of Conduct then you must seek further advice from the Compliance Officer before making or agreeing to make any such payment.

10. EMERGENCIES AND PERSONAL SAFETY

10.1 The Group acknowledges that in rare circumstances, individuals may be placed in extreme circumstances involving duress, extortion or threats to personal health or safety unless they agree to engage in conduct which would ordinarily constitute a breach of this Code of Conduct.

10.2 In these circumstances, the making of payments or the taking of other actions which would ordinarily constitute a breach of this Code of Conduct is permitted provided that the incident in question is reported to the Compliance Officer as soon as possible and, the individual in question participates in any subsequent investigation by the Group and/or any enforcement authorities.

11. HOSPITALITY AND GIFTS

Corporate hospitality and promotional, or other business expenditure which seeks to improve the image of the Group, better present the Group's products and services or establish cordial relations, is recognised as an established and important part of doing business. Such hospitality and expenditure must not however be used to influence other people to secure business or a business advantage for the Group. The following should therefore be complied with:

11.1 Entertainment

- (a) From time to time, it may be appropriate for the Group in the course of legitimate business dealings to provide reasonable and proportionate entertainment to third parties. However, the Group must ensure that any such entertainment does not constitute (nor risk being perceived as constituting) Bribery and is strictly in accordance with the following and the Stobart Group and Subsidiary Companies Expenses Policy GP 007 (located on the Stobart Information Management System).
- (b) Accordingly, entertainment may only be provided to third parties on the behalf of the Group if the following rules are adhered to:

Description of Regulation	Action
<p>(i) No Lavish, Costly or Inappropriate Entertainment</p> <p>Any form of entertainment which might be considered to be lavish or inappropriate is prohibited in all circumstances. This includes the provision of lavish meals, overnight stays in luxury hotels and any form of adult entertainment.</p> <p>The total cost of any entertainment provided to any one person on any one occasion must remain commensurate with the business objectives of this entertainment as provided.</p>	<p>Individuals providing or authorising the provision of entertainment on the behalf of the Group must keep full records of any entertainment provided to enable the Group to verify compliance with this requirement.</p> <p>If in doubt, ask, or contact your Compliance Officer (Section 5) for advice on reporting suspicions of bribery.</p>
<p>(ii) Entertainment to be Paid for Directly</p> <p>The Group should pay the cost of any entertainment provided directly to the relevant service provider i.e. the restaurant, facility or hotel in question.</p> <p>In exceptional circumstances, it may be necessary to reimburse third parties for the cost of entertainment which the Group is paying for. This is only permitted if the following requirements are met:</p> <p>(A) such indirect payments must not become</p>	<p>To have received authorisation to complete action.</p> <p>Report in Hospitality and Entertainment Form (HER).</p>

<p>a matter of routine or course;</p> <p>(B) reimbursement must not be provided where there is any suggestion that the service provider in question is in some way connected with the third party to whom the Group is making payment and/or that such third party will receive a commission or “cut” from that service provider of any payments which it receives from the Group; and</p> <p>(C) Original itemised receipts from the applicable service providers must be obtained from the third party to whom payment is being made. Copy or generic receipts generated by that third party itself are not acceptable.</p>	
<p>(iii) No Cash Allowances</p> <p>Under no circumstances are cash or cash allowances (such as the provision of “per day” cash payments to individuals which the Group has no control over the spending of and, no receipts evidencing payments from that money are expected to be provided) to be paid as part of any entertainment provided by the Group.</p>	<p>Report to Compliance Officer if discretion against this regulation.</p> <p>Report in Hospitality and Entertainment Form (HER).</p>
<p>(iv) Group Representative to be Present</p> <p>It is only appropriate for the Group to fund entertainment at which representatives of the Group are present or which is clearly endorsed by or connected with the Group – for example, sponsorship of an exhibition or event open to the general public where it is clearly unrealistic for a representative of the Group to be continually present. However, the provision of specific entertainment for specific individuals where no representative of the Group due to be present or is present is prohibited in all circumstances</p>	<p>Report to Compliance Officer if no representative of the Group is present during the provision of entertainment.</p>
<p>(v) Person to whom Entertainment may be Provided</p> <p>In the usual course of dealings, the Group expects that entertainment should only be provided to those individuals with whom the Group has business dealings or is looking to have business dealings (for example, prospective or target clients) and should not as</p>	<p>Any uncertainties should be referred with the Compliance Officer.</p>

<p>a matter of course extend to the family or friends of the individual in question. However, the Group also acknowledges that in certain circumstances and, provided that all other requirements of this Code of Conduct are met, it may be appropriate to extend some entertainment to family members of an individual.</p> <p>In this respect, the Group expects individuals to adopt a common sense approach which reflects both the spirit and letter of this Code to decide whether it would be appropriate in the circumstances to provide entertainment to family members and to refer any uncertainties to the Compliance Officer. For example, hosting a table at a charity ball to which clients and their partners are invited is unlikely to result in any breach of this Code of Conduct whereas paying for a client and their partner to go on holiday is clearly inappropriate.</p>	
<p>(vi) Timing of Entertainment</p> <p>Entertainment must not be provided in order to specifically influence or attempt to influence any third party to follow a particular course of action. Accordingly, careful consideration should be given to when any entertainment is provided and under no circumstances should entertainment be provided (nor should any offer be made to provide entertainment at a later date) during the course of negotiations between the Group and any third party or whilst the Group may be tendering for the award of any work over which the recipient of any entertainment may have any influence.</p>	<p>Report to Compliance Officer if discretion against this regulation.</p>

- (c) In addition to applying where the Group is providing entertainment to a third party, the above rules apply equally where a third party offers to entertain you.
- (d) You are only permitted to accept entertainment from third parties with whom the Group deals and which meets all of the above requirements and you must not accept any form of entertainment where doing so might be interpreted as you accepting a Bribe or result in any suggestion that you are obliged to act other than in the best interests of the Group or in breach of this Code of Conduct.
- (e) Any offer to provide you with entertainment, which, if accepted, would constitute a breach of this Code of Conduct, must be reported as soon as possible to the Compliance Officer.

11.2 Gifts

- (a) From time to time, it may be appropriate for the Group in the course of legitimate business dealings to provide reasonable and proportionate small gifts to third parties. However, the Group must ensure that any such gifts do not constitute (nor risk being perceived as constituting) Bribery.
- (b) Accordingly, gifts may only be provided to third parties on the behalf of the Group if the following rules are adhered to:

Description of Regulation	Action
<p>(i) No Cash Gifts</p> <p>Under no circumstances are cash gifts to be provided on the behalf of the Group. This prohibition includes not only cash but any form of “cash equivalent” such as gift vouchers. In the instance of gift vouchers it may be appropriate to provide these as gifts providing they are commensurate with the reward as intended.</p>	<p>Report in Hospitality and Entertainment Form (HER).</p>
<p>(ii) Gifts to be of Nominal Value</p> <p>Gifts must be of nominal value and in no circumstances should any gift be overly lavish or excessive. All single gifts in excess of £50 value and collectively in excess of £500 over any one year must be agreed by the Chief Executive Officer.</p>	<p>Seek pre-authorisation.</p> <p>Report in Hospitality and Entertainment Form (HER).</p>
<p>(iii) Gifts to be Limited Only to Those Dealing with the Group</p> <p>Gifts may only be provided to those individuals with whom the Group has business dealings. The provision of discrete gifts paid for by the Group must not be extended to the family or friends of the individual in question although, joint gifts (such as the sending of flowers to a client and their partner to mark the birth of a child) are permitted.</p>	
<p>(iv) Gifts to be Given Openly</p> <p>Gifts should be given in an open and transparent manner. Gifts must not be given in secret nor any attempt made to disguise the fact that a gift has been provided on the behalf of the Group to a particular person.</p>	

<p>(v) Timing of Gifts</p> <p>Gifts must not be given in order to specifically influence or attempt to influence any third party to follow a particular course of action. Accordingly, careful consideration should be given to when any gift is provided and under no circumstances should gifts be given (nor should any offer be made to provide a gift at a later date) during the course of negotiations between the Group and any third party or whilst the Group may be tendering for the award of any work over which the recipient of any gift may have any influence.</p>	
<p>(vi) No Routine Gifts</p> <p>Gifts must not be given as a matter of routine or course and should be linked in most cases to a particular occasion or event – for example, the provision of small promotional items such as branded pens or memory sticks or the sending of congratulatory flowers to a customer on the birth of a child.</p> <p>Other than in the case of small promotional items which are being provided by the Group generally, no more than three gifts may be provided to any person on the behalf of the Group in any year.</p>	

- (c) You are only permitted to accept gifts from third parties with whom the Group deals with that meets all of the above requirements and you must not accept any gift where doing so might be interpreted as you accepting a Bribe or result in any suggestion that you are obliged to act other than in the best interests of the Group or in breach of this Code of Conduct.
- (d) Any offer to provide you with a gift which if accepted, would constitute a breach of this Code of Conduct must be reported as soon as possible to the Compliance Officer.

12. REPORTING CONCERNS

- 12.1 In the event that you become aware that anyone who is subject to this Code of Conduct has committed any breach (or should you suspect that they may have done so but are not certain) then you must report your concerns immediately for further investigation. To do this the Bribery Suspicions or Incidents Reporting form GF 158 is available on SIMS (Stobart Information Management System) and should be sent directly to the Compliance Officer stated in Section 5.
- 12.2 The Group wishes to encourage a culture where individuals feel able to raise concerns about the manner in which the Group is conducting its business without fear of retaliation or reprisal. Accordingly, the Group strictly prohibits the taking of such action against any individual who reports any breach or suspected breach of this Code of Conduct. Further details of the

measures which the Group has taken to ensure this are set out in the Group's Whistleblowing Policy GP 003 (which is available on the Stobart Gateway).

13. DEALING WITH AGENTS, SUPPLIERS AND OTHER THIRD PARTIES

13.1 The Group regularly deals with third parties (such as agents, joint venture partners and suppliers) who may act on its behalf or otherwise be perceived as being connected with the Group. All such third parties are subject to this Code of Conduct in the same way as directors, officers and employees of the Group are and, you must not ask or authorise any third party to do anything on the behalf of the Group which the Group is not permitted under this Code of Conduct to do directly itself.

13.2 The following specific rules apply to the Group's dealings with any such third parties:

(a) Due Diligence to be Undertaken

Before entering into any business arrangement with a third party who will be acting on the behalf of or representing the Group, appropriate enquiries should be made into their background, capabilities and reputation. In particular, consideration should be given as to whether there is any suggestion or risk that the third party in question might be particularly susceptible to engaging in Bribery or other forms of Corrupt Activities

Whilst it is acknowledged that some limited dealings with such third parties may be necessary before the due diligence process on that third party has been completed and/or a written agreement entered into with the Group, this should be considered to be the exception rather than the rule and in any event is only permitted if the following guidelines are followed:

- (i) it is never appropriate to engage third parties to undertake high-value, high-risk or complicated transactions without the due diligence process on that third party having been satisfactorily completed and a signed written agreement entered into;
- (ii) it is never appropriate to engage third parties before the due diligence process on that third party has been satisfactorily completed and a signed written agreement entered into if there are any signs that such third party will (or is likely to) engage in Bribery or other Corrupt Activities on the behalf of the Group; and
- (iii) engaging third parties prior to the due diligence process on that third party having been satisfactorily completed and a signed written agreement entered into should only ever be considered to be an interim measure. The unwillingness of a third party to participate in a timely manner in the due diligence process and/or delays or refusals to enter into a written agreement without good reason should be considered signs that such third party is susceptible to engaging in Bribery or other forms of Corrupt Activities.

(b) Concerns Must be Reported

If you are aware (or have reason to suspect) that any third party acting on the behalf of the Group has committed any breach of this Code of Conduct then you must report those concerns to the Compliance Officer in accordance with Section 10 above.

Failing to report concerns about a third party acting on the behalf of the Group, “turning a blind eye” to unacceptable conduct or deliberately ignoring signs which suggest that a third party is or may be engaging in Bribery or other forms of Corruption are all considered to be breaches of this Code of Conduct. In addition, such behaviour may expose you to the risk of personal criminal liability.

(c) Payments to Third Parties to be Reasonable and Justifiable

The Group must avoid the accusation that it has engaged in Bribery by paying “over the odds” to any third party who is providing goods or services to the Group.

Whilst the Group accepts that given the nature of its business and the realities of commercial negotiation, there can be no definitive rule as to how payments to third parties should be calculated, the following guidelines must be adhered to:

- (i) in all of the circumstances, payments should be commercially reasonable, commensurate with the goods or services which have been provided to the Group and generally in accordance with the same level of charges made by other third party suppliers providing similar goods or services in the country in question;
- (ii) charges which are calculated by reference to significant commissions or success fees should be used with caution and are not appropriate where they may motivate the third party in question to engage in Bribery or other forms of Corrupt Activities;
- (iii) no payment may be made to any third party unless and until an itemised invoice for the charges in question has been provided to the Group and those charges accord with the agreed payment arrangements with that third party;
- (iv) payments must be made direct to the third party providing goods or services to the Group and remitted to a bank account located in the same country in which that third party is established. Payment in cash is not permitted; and
- (v) variations to the charges payable by the Group to third parties are only permitted where those are in accordance with the agreed terms of the relevant written agreement or are otherwise agreed to by the Group as commercially justifiable. Sudden requests by a third party to significantly increase the charges payable to them where there is no apparent increase in their costs or other good justification should be considered signs that such third party is susceptible to engaging in Bribery or other forms of Corrupt Activities.

14. CHARITABLE AND POLITICAL DONATIONS

- 14.1 From time to time, the Group may make charitable donations either of its own volition or in response to requests from third parties.
- 14.2 Care must be taken when making any charitable donation on the behalf of the Group to ensure that such donation is for bona fide charitable purposes and is not in reality a Bribe (or likely to be considered to be a Bribe by an independent observer).
- 14.3 Accordingly, all charitable donations to be made by the Group must be pre-authorised by the Chief Executive Officer or in line with the Group Charitable Policy GP 006 (which is available on SIMS).
- 14.4 As a matter of policy, the Group does not make donations to political parties and no person is authorised to make or authorise payments to political parties which purport to be on the behalf of the Group. This prohibition extends not only to cash donations to political parties but also, to the provision of other assistance to political parties which would involve the Group including, but not limited to:
- (a) campaigning on the behalf of political candidates on Group premises;
 - (b) allowing Group property to be used to assist in campaigning on the behalf of a political party (such as the printing of leaflets);
 - (c) the purchasing on the behalf of the Group (or using Group funds to purchase) tickets to fundraising events held by political parties;
 - (d) making donations on the behalf of the Group (or using Group funds to make donations) to “think tanks” or research bodies with a known affiliation to a particular political party or ideology; and/or
 - (e) authorising any political candidate or party to represent that they are in any way affiliated with the Group.

15. SPONSORSHIP

- 15.1 Unless you have been granted specific authority by the Group to do so, you may not enter into any sponsorship arrangement on the behalf of the Group nor agree that any third party may represent that they (or their products or services) are in any way affiliated with or sponsored or endorsed by the Group.
- 15.2 You should refer any sponsorship or endorsement requests which you receive to Chief Executive Officer.
- 15.3 If you become aware that any third party is falsely claiming to be affiliated, sponsored or endorsed by the Group then you must report that to the Compliance Officer as soon as possible.

16. DECLARATION OF INTERESTS

- 16.1 All of the Group's directors, employees, licensees, officers, consultants, joint venture partners and agents must declare any personal or business interests that they or a close relative has in relation to any current or future business transaction.
- 16.2 The Declaration of Interest form (GF 029) available on SIMS will be provided during training. It should be completed and given to the Compliance Officer at the same time the completion of training is signed.

17. INVESTIGATIONS AND AUDITING

- 17.1 The Compliance Officer will monitor the effectiveness and review the implementation of this Code of Conduct regularly, considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 17.2 All people subject to this Code of Conduct are responsible for its success and should ensure that they use it to disclose any suspected bribery or suspicious circumstances to the Compliance Officer. The Compliance Officer is responsible for investigating any suspicious activity or reports made to her.
- 17.3 The Compliance Officer is responsible for the creation of policies and procedures in relation to how reports of suspicious activities will be investigated.
- 17.4 It is the responsibility of the Compliance Officer to report to the Board, through the Head of Anti Bribery and Corruption on a regular basis in relation to the performance of the Group under this Code of Conduct and in relation to any incidents of bribery or corruption.
- 17.5 The Group acknowledges that its business and potentially the risks of bribery and corruption it faces will change over time, and it is the responsibility of the Compliance Officer to ensure that this Code of Conduct and other anti-bribery and corruption procedures remain relevant to the Group and to respond to other external stimuli that may affect the procedures that the Group needs to have in place.

18. ANNUAL REVIEW

- 18.1 This Code of Conduct and the supporting controls and procedures which the Group has put in place to assist with compliance will be subject to review by the Board of Directors at least annually and, any changes or additions will be communicated to the wider business following approval.
- 18.2 This Code of Conduct and the supporting controls and procedures will also be subject to an annual internal audit and, any changed or additions will be communicated to the wider business following approval.

SCHEDULE 1

1 EXAMPLES OF ACTS OF BRIBERY AND CORRUPTION

- 1.1 The following is a non-exhaustive list of conduct and actions which the Group considers to constitute acts of Bribery:
- (a) the payment of cash or cash equivalents to individuals who may be able to influence a decision to award work to the Group or to government officials in order to secure favourable treatment for the Group and in either case, to members of their family or other persons associated with them;
 - (b) the payment of unauthorised charitable or political donations by the Group where the individual requesting that the Group makes that donation stands to personally benefit from it;
 - (c) making loans to individuals who may be able to influence a decision to award work to the Group or to government officials in order to secure favourable treatment for the Group and in either case, to members of their family or other persons associated with them;
 - (d) the payment or facilitation payments; and/or
 - (e) paying for travel, accommodation, meals, expenses etc. for individuals who may be able to influence a decision to award work to the Group or to government officials in order to secure favourable treatment for the Group and in either case, to members of their family or other persons associated with them (unless permitted in accordance with Section 9 above).

2 EXAMPLES OF BEHAVIOUR WHICH SUGGESTS AN INCREASED RISK OF BRIBERY OR CORRUPTION

- 2.1 The following is a non-exhaustive list of conduct, circumstances and actions which the Group considers to constitute warning signs that a third party with whom the Group is dealing may be particularly susceptible to the risk of engaging in Bribery or other forms of Corrupt Activity:
- (a) dealings in any country which has been independently assessed or has a reputation for being particularly susceptible to Corruption – see for example the annual independent Corruption Perceptions Index published by Transparency International at <http://www.transparency.org/>;
 - (b) dealings with individuals who have a close personal relationship with government officials, particularly if that official has responsibility for an area which might impact on the transaction under discussion and/or is located in a high-risk country as referred to above;
 - (c) dealings with individuals or organisations who adopt an unjustified or unusual degree of secrecy and/or who refuse to answer any reasonable questions about their conduct;

- (d) requests for the Group to make payment of charges due from it in cash; to countries other than that where the party receiving payment is based; to third parties not involved in the transaction in question; and/or in the absence of a formal receipt or invoice detailing how the charges in question have been incurred;
- (e) requests for sudden increases in charges for no apparent or justifiable reason; and/or requests for the Group to pay non-contractual, inflated or unexpected bonuses, commissions or expenses claims;
- (f) any requests for the Group to assist in keeping transactions or accounts “off the record”;
- (g) refusal or unwillingness of individuals to allow the Group to deal with anyone other than them within their organisation;
- (h) refusal, unwillingness or undue delay in complying with the Group’s due diligence processes;
- (i) refusal, unwillingness or undue delay in entering into a written agreement with the Group and/or continually raising further issues each time a written agreement looks likely to be concluded; and/or
- (j) any other request, conduct or circumstance which appears to be suspicious or “not quite right” particularly if you would not wish your involvement with that request, conduct or circumstance to become a matter of public knowledge.